

The Legislative Fiscal Division

Presents:

Profile of...
Governor's Office

State of Montana



Agency Profile

This agency profile will discuss...

- structure and funding
- primary functions and
- historical expenditures

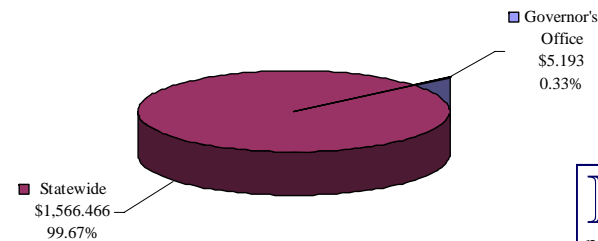
The profile also includes information on how decisionmakers can effect change in the agency's expenditures along with a listing of pertinent statistics. For an explanation of terms used in this profile, consult the "Background on the Agency Profiles" at: <http://leg.mt.gov/css/fiscal/default.asp>

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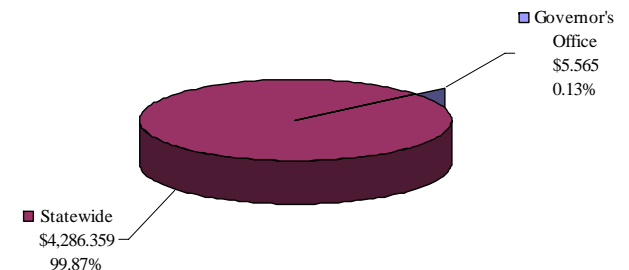


General Fund Statewide Comparison
FY 2006 (In Millions)



Let's begin by putting the agency's size in perspective by comparing it to state government as a whole.

Total Funds Statewide Comparison
FY 2006 (In Millions)



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Legislative Fiscal Division

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Section A
General Government & Transportation



What the Agency Does

The Governor's office oversees the activities of the executive branch of Montana state government, consistent with statutory and constitutional mandates, in a manner that provides necessary and affordable services to the citizens of Montana. The Governor's Office has nine programs: the Executive Office Program, which contains the Office of Economic Development; Mansion Maintenance; Air Transportation; Office of Budget and Planning; Coordinator of Indian Affairs; Lieutenant Governor's Office; Citizens' Advocate Office; the Mental Disabilities Board of Visitors, and Centralized Services.



How Services Are Provided

The Governor's Office provides these services through a structure consisting of nine divisions and a total of 59.07 FTE performing the following functions:

- Executive Office Program oversees the activities of the executive branch and provides administrative, legal, press support and centralized services support with a staff of 21.63 FTE. The Executive Office Program also oversees the Office of Economic Development.
- Mansion Maintenance Program maintains the Governor's official residence with 1.50 FTE and a budget of \$172,922 of general fund.
- Air Transportation Program maintains one 1979 Beachcraft aircraft that is kept in the Department of Transportation hanger. There are 1.5 FTE.
- The Office of Budget and Planning, with a staff of 19.00 FTE, assists the Governor in planning, preparing, and administering the state budget; develops and evaluates alternative program plans for providing state government services; and acts as the lead executive branch agency for compliance with the federal Single Audit Act.
- Coordinator of Indian Affairs is the liaison with the state's Indian tribes. The office has 2.00 FTE.
- Lieutenant Governor performs duties prescribed by law and those delegated by the Governor. This office has 3.94 FTE.
- The Citizens' Advocate Office provides information to citizens allowing them to gain accessibility to state government. This office has 1.5 FTE.

- Impacting policy on the offices of Indian Affairs, Citizens Advocate, and Mental Disabilities Board of Visitors

The legislatures less likely to control:

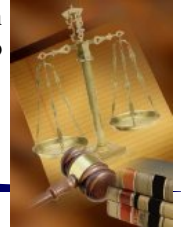
- Federal legislation impacting the Governor's Office and related activities
- Telephone or web-based inquiries from citizens
- Initiatives or legislation responding to citizen action
- Lawsuits filed against the state
- Emergencies such as wildfires, floods, etc., creating the need for additional resources

Statewide Factors With Impact

In addition to the factors above, a number of factors common to many agencies will also impact changes in expenditures over time.

The Governor's Office comprises people providing service for Montanans. Personal service costs are the primary influence that drives expenditures. These factors include the state pay plan and benefits, workers' compensation, and unemployment insurance.

Other factors driving expenses include utilities and changes in statewide fixed costs such as inflation/deflation and the cost to maintain buildings and technology.



Statutory References

The primary statutory references defining duties and responsibilities of the department are found at the following locations.

Article VI, Montana Constitution primarily governs the Governor's Office, and Article VI, Section 4 covers the Lieutenant Governor's Office

Title 17, Chapter 7, MCA governs the Office of Budget and Program Planning

2-15-217 and 90-11-101, MCA governs the Coordinator of Indian Affairs

The Mental Disabilities Board of Visitors is mandated under the state Developmental Disabilities Act and the Mental Commitment and Treatment Act of 1975, 2-15-210, MCA, and 53-20-104, MCA.

Agency Functions, State Purposes, & Customers Served

The agency is structured to perform certain functions in support of general state government purposes. The following lists the major functions, purpose of provision of the functions, and primary customers served.

<i>Policy Objectives</i>	<i>Major Agency Functions</i>	<i>Customers</i>
Infrastructure— Governmental and Physical	Administration	All agency functions
	Mansion Maintenance	Governor
	Air Transportation	Governor and other state employees when available
	Budget and Program Planning	All state agencies and branches of government
	Indian Affairs	Indian population in Montana
	Lieutenant Governor	Citizens of Montana
	Citizens' Advocate	Citizens of Montana
Economic/Business Development	Mental Disabilities—Board of Visitors'	Mentally disabled population
	Economic Development	Citizens of Montana



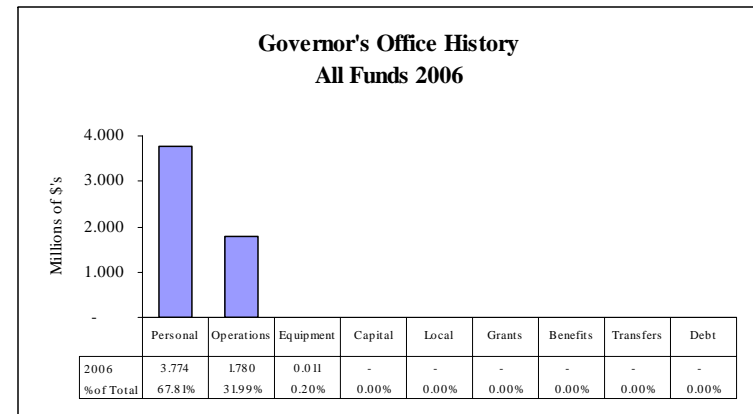
How the Legislature Can Effect Change

The Governor's Office addresses its mandated duties with elected officials and state employed FTE. Activity for this agency depends upon changing state government as it responds to elections and demands of citizens.

In order to change expenditure levels and/or activity, the legislature might address laws:

- Governing how the Governor's Office conducts business and responds to citizens
- Governing existence and maintenance of the Governor's mansion and aircraft
- Governing the Office of Budget and Program Planning

- Mental Disabilities Board protects the rights of the mentally ill and developmentally disabled. There are about 400 calls per year received by this board. The board reviews patient care in community mental health centers and facilities throughout the state. This program has 5.00 FTE with 2.00 FTE (1 attorney and 1 paralegal) at Warm Springs. The legal staff is attached to this office to assure that there is a separation from the hospital so that they can represent the interests of the patients. Most patients in this hospital have been "committed" to it by a judge because of some mental illness.
- Centralized Services provides business related functions to the Governor's Office. Division staff is responsible for the administrative, personnel, budgeting and accounting functions. They also maintain the office network and provide software support. The program has 3 FTE.



How Services Are Funded

More than 93 percent of the budget for the Governor's Office was funded with general fund in FY 2006. Personal services account for \$3.6 million of general fund, \$82,332 of state special revenue and \$20,458 of federal special revenues.

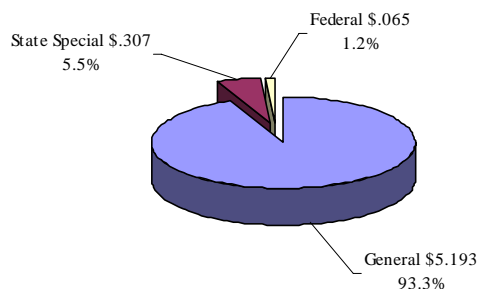
Operating Expenses account for \$1.8 million of the expenditures for the Governor's Office. Of this amount, less than \$225,000 is state special revenue from fees charged to other agencies for the use of air transportation and costs associated with the Coordination of Indian Affairs Program. A very small amount, \$44,458, is federal revenues from the Jobs and Growth Tax Relief Act. The balance of the expenditures is met with general fund.



There are two sources of authority for state and federal special revenue that remain unused. There is authority for the Coordinator of Indian Affairs Program to expend federal funds should grant funds become available. To date, no funds have been received or expended. There is also state special revenue authority relating to workforce training loans which were to have been made with Intercap funds. House bills 270 and 271 replaced this funding with general funds and transferred the funding to Department of Commerce but did not remove the appropriation of state special revenue funds to the Governor's Office.

The state and federal special revenue authority is not reflected in the following chart.

**Governor's Office Funding History
All First Level FY 2006**



Related Data & Statistics

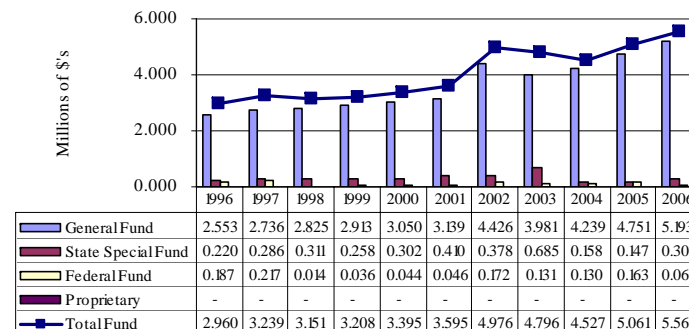
The following lists several pertinent statistics related to agency functions and/or customers.

Element	1996	2006	Significance of Data
The executive branch helps the Governor and Lieutenant Governor carry out the statutorily defined duties of their offices. In 1976 there were 103.00 FTE	52.25 FTE	59.07 FTE	Workload and costs vary with each administration



Expenditure History

Governor's Office Funding History



Reasons for Expenditure Growth/Change

- General Fund – the average growth rate for general fund expenditures was 7.4 percent for the period of 1996 through 2006. Most of the annual increase from 1996 through 2001 was in the 3 percent range and most of the expenditures related to increases in funding for personal services, purchases of computers, and the hiring of a mental health ombudsman with administrative staff. Expenditures between 2001 and 2002 increased by 35.6 percent due to the governor's implementation of the Office of Economic Development as per SB 445, and the Extradition and Transportation of Prisoners Program, which was transferred from the Department of Justice as per SB 328. There was also significant funding provided to an Energy Cost Contingency account under the purview of the Office of Budget and Program Planning. In FY 2006 expenditures increased due to addition of a Board of Education staff position and funding of the Marketing Montana and Business Recruitment Program
- State Special Fund – the average growth rate of expenditures funded by state special funds increased by 3.4 percent for the period of 1996 through 2006. State funds are dependent on the collection of the specified earmarked revenue, which does not always materialize as planned or are adjusted to suit the funding needs of the program.
- Federal Fund – these expenditures declined by 10.04 percent, however, these funds are less than \$75,000 and do not provide significant funding to the agency.